
DATE: April 8, 2011

REPORT TITLE: **EASEMENT DATA ACQUISITION FOR WATER AND WASTEWATER
INFRASTRUCTURE
CAPITAL PROJECTS 05-2520 AND 10-1520
DOCUMENT 2011-049N**

FROM: Dan Labrecque, Commissioner of Public Works

RECOMMENDATION

That the contract (Document 2011-049N) for the acquisition of easement data and related easement mapping for water and wastewater infrastructure at the Region of Peel be awarded by direct negotiation to Teranet in the estimated amount of \$359,281 (excluding applicable taxes), under Capital Projects 05-2520 and 10-1520, in accordance with Purchasing By-law 63-2008;

And further that, on an as required basis, Teranet be awarded easement mapping services at an estimated cost of approximately \$30 (excluding applicable taxes) per easement until they are no longer exclusive partners with the Province of Ontario Land Registration Information System.

REPORT HIGHLIGHTS

- As part of the Region's commitment to the state of good repair of infrastructure assets, accessibility through legal easements and other access rights are necessary to conduct maintenance and repair on water and wastewater infrastructure.
- The accurate record of legal access to infrastructure and the identification of deficiencies in legal access points assists works crews in the maintenance of infrastructure and minimizes risk to the Region of Peel's infrastructure.
- A review of the Region of Peel's existing easement records against the Province of Ontario Land Registration Information System (POLARIS) records and enhancement of Peel's support tools will identify where easements are deficient, provide basis to plan corrections, provide more accurate data to field operations and support the continuous improvement initiatives under the Corporate Asset Management program.
- Teranet is the sole distributor of property title information in a bulk delivery format and the only Provincial authorized distributor of ownership parcel mapping to municipalities. It is therefore proposed that Teranet be awarded the contract.

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DISCUSSION

1. Background

Legal easements are required to provide access to Peel's water and wastewater infrastructure during routine and emergency works, infrastructure replacement and new construction. Peel's easement records are currently stored in hard copy format and on a database within Peel's Realty Services program. There are two key initiatives to improving accessibility to infrastructure and minimizing risk to the assets:

1. Easements are initially acquired during the development of new infrastructure. However, there are historical discrepancies where some infrastructure lacks adequate legal access rights placing Peel's assets at risk. This can be corrected with a complete review of all records and comparison with the records at the Provincial level.
2. Field operational staff do not have readily available and adequate access to easement information while conducting work in the field. Updating the accuracy of the records and expanding the information in the current data repository, Peel Asset Locator (PAL), will minimize risk to assets.

Presently, Peel maintains a Microsoft Access database of approximately 9,000 registered easements dating back to the 1800's.

2. Easement Data Acquisition

Teranet is the sole Provincial authorized distributor of ownership parcel mapping to municipalities (see Appendix I and II). As part of this project, Teranet will cross reference the provincial data with Peel's data and produce reports identifying all anomalies and discrepancies.

Teranet will then map the easement information from the reports and provide to Peel in the required electronic format to enable Peel to load the information into the PAL system and update the accuracy of the easement records.

Staff have researched the possibility of performing this project in house, and the financial and time requirements analysis has indicated that outsourcing this service to Teranet is in the best interests for the Region of Peel.

3. Procurement Process

It is proposed that Teranet be awarded, by direct negotiation, the contract to acquire the necessary data as outlined above. Teranet is the sole company legislated to receive information directly from POLARIS (See Appendix II), and it is logistically and financially reasonable to award them the contract in the estimated amount of \$359,281 (excluding applicable taxes), in accordance with Purchasing By-law 63-2008.

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FINANCIAL IMPLICATIONS

Sufficient funding is available as shown below:

Funding Source	Amount
10-1520	\$179,641
05-2520	\$179,640
TOTAL	\$359,281




Dan Labrecque
Commissioner of Public Works

Approved for Submission:



D. Szwarc, Chief Administrative Officer

 For further information regarding this report, please contact Carol Warner at extension 4972 or via email at carol.warner@peelregion.ca

c. Legislative Services
 J. Macintyre, Director, Purchasing
 Manager, Financial Support Unit (FSU)

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APPENDIX I



December 16, 2010

Carol Warner
Regional Municipality of Peel
10 Peel Centre Drive
Brampton, ON
L6T 4B9

Dear Ms. Warner,

Through a unique public/private partnership formed in 1991 between the government of the Province of Ontario and a consortium of private sector firms, Teranet Inc. (Teranet) has been the Province of Ontario's "**exclusive partner**" for the implementation and operation of the Electronic Land Registration System (ELRS), the system by which title to real property is recorded, registered with the government, stored, and made available for search to the public.

Teranet has an "**exclusive licence**" to provide electronic access to Land Registry records (parcel registers, registered Instruments and Plans) through proprietary software and web platforms, and to distribute registered title information (such as easement records and registrations) in bulk format.

In spring 2002, the Ministry of Natural Resources (MNR), the Municipal Property Assessment Corporation (MPAC) and Teranet Enterprises Inc. signed the Ontario Parcel Master Agreement (OPMA), creating the Ontario Parcel Alliance. Under the partnership, the Alliance reached an agreement to build the Ontario Parcel database - a standardized digital mapping database of crown, assessment and ownership parcel mapping.

Under the terms of the OPMA, Teranet was assigned the sole responsibility for the administration and maintenance of the Ontario Parcel database and the "**sole responsibility**" to license and distribute the ownership parcel mapping to municipalities.

Based on the Region of Peel's requirements, Teranet is able to provide the easement mapping information in a compatible electronic format that can be easily interfaced with Peel's current easement record system.

Should you require additional information or have any questions, please do not hesitate to contact Richard Norris at 416-643-1035.

Kindest Regards,
Teranet Inc.

A handwritten signature in black ink, appearing to read "Drew Doherty", is written over a printed name and title.

Drew Doherty
Director, Real Estate
Value Added Solutions

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APPENDIX II

Modernizing Ontario's Electronic Land Registration System

NEWS RELEASE - November 18, 2010 1:25 PM

The Ontario government has negotiated the principal terms of a proposed agreement to renew its long-standing business partnership with Teranet Inc., by extending its exclusive licences to provide electronic land registration and writs services in Ontario for an additional 50 years. The province is the first jurisdiction in the world to provide electronic registration of land-related documents, which enhances security, improves the accuracy and integrity of the database and provides an electronic audit trail.

Under the proposed transaction, Teranet's owner, Borealis Infrastructure, would provide the province with an upfront payment of \$1 billion, which would be used to reduce the province's debt. This debt reduction would decrease Ontario's ongoing borrowing requirements and save up to \$50 million in annual interest costs, or \$250 million over five years. When added to the \$1 billion reduction in the deficit, this payment means the government would be borrowing \$2 billion less than forecasted. Lowering interest costs creates more fiscal room. Beginning in 2017, the province would also receive annual royalty payments from Teranet, which are expected to be approximately \$50 million in 2017-18 and to grow in future years.

The proposed agreement includes commitments by Teranet to ensure Ontario's electronic land registration system remains modern, user friendly, reliable and secure. The government would also continue to provide oversight of the Electronic Land Registration System.

The proposed transaction is subject to certain final closing conditions and is expected to close in late 2010.

Significant Consumer Protection

In contrast to the previous government's Highway 407 Express Toll Route transaction, this proposed agreement contains significant consumer protection, such as provincial control over any Teranet fee increases for statutory services. The proposed agreement does not provide for any fee increases for five years. In 2015, certain fees would be increased to equalize fees for searches done in land registration offices and those done remotely. Certain fees would be adjusted by 50 per cent of inflation based on the consumer price index. Since the adjustments would be based on only 50 per cent of the full rate of inflation, fees would decline in real terms over time.

This proposed agreement also includes provisions ensuring the province has ongoing participation in Teranet through royalties and the potential to share in any unexpected profits made by Teranet through a sale or exceptional business performance.

TERANET OVERVIEW AND HISTORY

Teranet was formed in 1991 as a partnership between the Province of Ontario and the private sector to create an electronic land registration system. The task involved moving from a 200-year-old paper-based system to create a database with records for more than five million parcels of land.

In 1999, the first electronic transaction took place and, since then, registration volumes exceed two million per year.

Teranet, under existing agreements with the province, has the exclusive right until 2017 to operate Ontario's electronic land registration system, which allows for electronic registration of land documents as well as searches relating to real property and writs.

Since Teranet's creation, the province has been involved in a number of Teranet transactions:

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- In August 2003, the previous government sold its 50 per cent interest in Teranet and its entitlement to royalties until 2017, to Teramira, the other owner of Teranet, for \$370 million. The terms of the sale included provincial rights to approve and share in the value of any future sale of Teranet.
- In June 2006, through its right to share in the value of any future Teranet sale, the province received proceeds of \$573 million from the initial public offering of the Teranet Income Fund. The province contributed \$54 million of these proceeds to an overall \$116 million investment by Teranet in service improvements and system enhancements to Ontario's electronic land registration system.
- In November 2008, Borealis, Teranet's current owner, announced its successful takeover bid for the Teranet Income Fund, which was subject to approval by the Province.

The province continues to provide ongoing oversight of the electronic land registration system.